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DIVISION OF OIL, GAS, AND MINING

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May 1, 1980

Mr. Al Amundson
Chief Engineer
Northwest Carbon Corporation
P.O. Box 1526
Salt Lake City, Utah 84110

RE: Notice of Intent to Commence
Exploratory Drilling
Tye & Rilda Canyon Projects
Carbon County, Utah
EXP/007/016

Dear Mr. Amundson:

Thank you for your April 15, 1980 letter concerning Northwest Carbon Corporation's proposed exploratory drilling project in Carbon County, Utah. The letter satisfies the notice requirements of Rule M-3(5) of the Utah Mined Land Reclamation Act of 1975, Title 40-8, Utah Code Annotated. All information in the letter relating to the location, size or nature of the deposit will be held as confidential material by the Division until written permission to release the information is received.

The Division requires no additional information at this time. However, a record of plugging procedures for each hole and general overall reclamation procedures (grading, stabilization procedures, seed mixtures, rates, methods, and times of seeding) is required upon termination of operations. In addition,

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all information relating to water-bearing formations encountered in drilling and logging must be submitted to the Division in writing, and must give the hole location, and if possible, the depth of the water-bearing strata, the formation name, the rate of flow, and if known, the water quality.

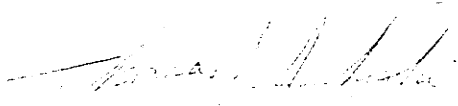
If a mining operation is contemplated for these leases, the Division would strongly recommend that Northwest Carbon Corporation consider the possibility of using several of those drill holes which do encounter water during the drilling operation to be cased-off and used as groundwater monitoring holes during the mining operation.

Plugging Guidelines are available upon request for your reference..

The Division of State Lands must be notified 60 days prior to the beginning of operations on State leases.

Thank you for your cooperation. When in the area a member of the Division staff will examine the site(s).

Sincerely,



THOMAS J. SUCHOSKI
ENGINEERING GEOLOGIST

TJS/te
cc: Jackson Moffett, U.S.G.S.
John Blake, State Lands